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United States Virgin Islands

Working paper prepared by the Secretariat

Contents

		Page
	The Territory at a glance	3
I.	Constitutional, political and legal issues	4
II.	Budget	6
III.	Economic conditions	6
	A. General	6
	B. Tourism	7
	C. Manufacturing and construction	7
	D. Trade, transportation and utilities	7
	E. Agriculture and fisheries	8
IV.	Social conditions	8
	A. Labour	8
	B. Education	8
	C. Public health	9
	D. Crime and crime prevention	9

Note: The information contained in the present working paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 14 January 2015. Further details are contained in previous working papers, available from www.un.org/en/decolonization/workingpapers.shtml.

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V. Environmental protection and disaster preparedness 9
VI. Relations with international organizations and partners 10
VII. Future status of the Territory 10
A. Position of the territorial Government 10
B. Position of the administering Power 10
VIII. Action taken by the General Assembly 11

The Territory at a glance

Territory: The United States Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations. As an unincorporated, organized territory of the United States of America, it is administered by the Office of Insular Affairs of the United States Department of the Interior.

Geography: The Territory is located in the eastern part of the Caribbean Sea, 1,075 miles south-east of the south-eastern tip of the United States and 60 miles east of Puerto Rico. It is made up of four main islands: St. Croix, St. John, St. Thomas and Water Island. The capital, Charlotte Amalie, is located on St. Thomas.

Land area: 352 km².

Exclusive economic zone: 33,744 km².

Population: 107,343 (2011 data).

Life expectancy at birth: 79.8 years (women: 83.0 years, men: 76.7 years (2014 estimate)).

Languages: English or English Creole (74.70 per cent); Spanish or Spanish Creole (16.78 per cent); French or French Creole (6.57 per cent); and other (1.95 per cent).

Capital: Charlotte Amalie.

Head of territorial Government: Governor Kenneth E. Mapp.

Territory's delegate to the United States Congress: Stacey Plaskett, elected on 5 November 2014 and sworn into office on 3 January 2015.

Main political parties: Democratic Party; Independent Citizens' Movement; Republican Party.

Elections: Most recent legislative elections held in November 2014; next elections to be held in November 2018 (Governor).

Legislature: Unicameral (15 senators).

Gross domestic product (GDP) per capita: $33,375 (2013, chained (2005) dollars).

Economy: Tourism is the primary economic activity, accounting for 80 per cent of GDP and employment. The manufacturing sector consists of petroleum refining, rum distilling, textiles, electronics, pharmaceuticals and watch assembly.

Monetary unit: United States dollar.

Unemployment rate: 13.0 per cent (November 2014 estimate).

Brief history: The islands belonged to Denmark from 1754 to 1917 (Danish West Indies). On 31 March 1917, the Government of Denmark transferred ownership to the United States. The United States Virgin Islands have since been an organized, unincorporated territory of the United States.

I. Constitutional, political and legal issues

1. The United States Virgin Islands is an organized, unincorporated territory of the United States. Under the Organic Act of the Virgin Islands (1936), its revision in 1954 and subsequent amendments to the Revised Organic Act of 1954, the Territory has a legislature, also known as the Senate, which is a unicameral body comprising 15 senators elected for a two-year term by popular vote. Executive power is vested in the Governor, who since 1970 has been elected by popular vote for a four-year term on the same ticket as the Lieutenant Governor. The Governor is limited to two consecutive terms. With the advice and consent of the Legislature, the Governor appoints the heads of the executive departments and has the power to approve or veto legislation and issue executive orders.

2. In the gubernatorial elections of November 2014, Kenneth Mapp, an independent, was elected Governor and Osbert Potter was elected Lieutenant Governor. Because no gubernatorial candidate received the absolute majority required under the Revised Organic Act, a run-off was held on 18 November 2014, two weeks after the general election, featuring Mr. Mapp, who had received 47.47 per cent of the vote, and a former congresswoman, Donna Christensen, who had received 38.23 per cent. The terms of office of Messrs. Mapp and Potter will expire in November 2018, when the next gubernatorial elections are due to be held. The Territory also elects a delegate to the United States House of Representatives, who is able to vote in committees. The Democratic Party candidate, Stacey Plaskett, won the election held in November 2014 and was elected to her first term as delegate. The Territory's senatorial elections were held on 4 November 2014.

3. The Territory's judicial system has a district court, a superior court and a supreme court, the last-mentioned becoming operational in January 2007. The Supreme Court is the appellate court that hears appeals decided by the Superior Court. Its establishment eliminated federal judicial involvement in purely local legal matters. In December 2012, the President of the United States, Barack Obama, signed House of Representatives Bill No. 6116 authorizing direct review by the United States Supreme Court of decisions made by the United States Virgin Islands Supreme Court. The legislation was sponsored by the Territory's congressional delegate.

4. Since the Organic Act of the Virgin Islands was revised by the Government of the United States in 1954, there have been four attempts to replace it with a local constitution approved by the people of the Territory, which would organize the internal mechanisms of government. Although the United States Congress authorized the adoption of a local constitution in 1976 under United States Public Law 94-584, none of the four attempts made were successful.

5. As previously reported, on 26 May 2009 the Fifth Constitutional Convention adopted a proposed constitution of the United States Virgin Islands by a two-thirds vote. It was submitted to the Governor on 31 May 2009. In a preamble and 19 articles, the 27-page text included provisions on a bill of rights; principles, branches and subdivisions of government; Virgin Islanders; elections; education; youth; taxation, finance and commerce; economic development; public health, safety and welfare; culture; environmental protection; referendums and recalls; and the creation of a political status advisory commission. Further details can be found in previous working papers.

6. On 26 February 2010, the President of the United States submitted the proposed constitution to Congress, endorsing the conclusions reached by the Department of Justice that several features of the proposed text warranted analysis and comment, including: (a) the absence of express recognition of United States sovereignty and the supremacy of federal law; (b) provisions for a special election on the territorial status of the United States Virgin Islands; (c) provisions conferring legal advantages on certain groups defined by place and timing of birth, timing of residency or ancestry; (d) residence requirements for certain offices; (e) provisions guaranteeing legislative representation of certain geographic areas; (f) provisions addressing territorial waters and marine resources; (g) imprecise language in certain provisions of the proposed constitution's bill of rights; (h) the possible need to repeal certain federal laws if the proposed constitution were adopted; and (i) the effect of congressional action or inaction on the proposed constitution.

7. According to a statement made in June 2010 by the President of the Fifth Constitutional Convention before the Special Political and Decolonization Committee (Fourth Committee), in March 2010 a delegation of the Convention, led by him, had held consultations with United States congressional officials. The officials had expressed a major objection to the provision in the proposed constitution regarding the ownership by the people of the Territory of their marine resources. Another objection had related to any meaningful reference to the native population and the provision of certain benefits. As a result, the United States Congress had asked the Convention to reconvene in order to consider the administering Power's objections to the proposed constitution.

8. The President of the Convention stressed that there was no provision in the proposed constitution to alter the status of the Territory and that it would not serve as the basis for removing the United States Virgin Islands from the United Nations list of Non-Self-Governing Territories. The proposed constitution contained a relevant provision that would, upon adoption of the text, create a mechanism to examine future options with regard to political status.

9. On 11 September 2012, the Governor signed Act No. 7386 establishing and convening a body called the Fifth Revision Convention, formed by the 30 delegates elected to the Fifth Constitutional Convention along with five attorneys. The Fifth Revision Convention was convened on 1 October and mandated to ratify and approve, no later than 31 October, by a two-thirds majority vote of all the delegates, the final revised draft constitution consistent with the nine issues identified by the Government of the United States (see para. 6 above). The Act established that, if the Fifth Revision Convention agreed upon a proposed revised draft constitution by the deadline, the President of that body should have it submitted to the Governor and to the President of the United States. In case of non-adoption of the text, both the Fifth Constitutional Convention and the Fifth Revision Convention would be dissolved and the Legislature of the United States Virgin Islands would have full authority to address the Territory's constitution. As reported in the previous working paper (A/AC.109/2014/11), however, the outcome of the Fifth Revision Convention has continued to remain unclear and surrounded by controversy. In January 2013, in his State of the Territory address, the Governor expressed the hope that the Territory would find "the means and courage that will lead us from the Organic Act to a Virgin Islands constitution".

II. Budget

10. As previously reported, in his State of the Territory address for 2014, the Governor stated that the Territory would face a shortfall of $70 million by the end of the fiscal year, half of which reflected the decision by the United States Department of the Interior not to advance cover-over funds based on the full rate of $13.25 per proof gallon. According to the administering Power, the Department eventually provided the advance funds at a rate of $13.25 until the expiration date of 31 December 2013 and then used a lower rate of $10.50 for the remainder of fiscal year 2014. That decision created a shortfall of $30 million in the territorial Government's budget. Subsequently, in February 2014, following requests from the territorial Government, the Department released the remaining funds at the higher cover-over rate, albeit contingent on the passage of a bill to extend tax provisions in 2014. On 19 December 2014, the President of the United States signed into law the Expiring Provisions Improvement Reform and Efficiency Act of 2014. It extended a number of tax provisions, including the Territory's rum cover-over programme at the rate of $13.50 per proof gallon.

11. In his State of the Territory address for 2015, the newly elected Governor stated that General Fund appropriations for basic critical services and operations of the territorial Government exceeded revenues by some $91.2 million, a figure that did not include additional obligations of $176 million. He pointed out that the territorial Government was nearing the brink of financial collapse, noting that its long-term debt and debt-service obligations had more than doubled since 2007, consuming a greater share of dwindling government revenues.

12. The Government of the United States continued to provide funding for the Territory's budget, including through the American Recovery and Reinvestment Act. As at 1 May 2014, grants awarded amounted to $570,070,367, of which $510,725,557 had been received.

III. Economic conditions

A. General

13. On 19 August 2014, the United States Bureau of Economic Analysis released gross domestic product (GDP) estimates for the United States Virgin Islands for 2013, in addition to estimates of GDP and compensation by industry for 2012. The estimates were developed under the Statistical Improvement Programme funded by the Office of Insular Affairs. According to that analysis, the estimates of GDP for the Territory showed that real GDP (i.e. GDP adjusted to remove price changes) had decreased by 5.4 per cent in 2013. In contrast, real GDP for the United States (excluding the territories) had increased by 2.2 per cent. The decline in the economy of the United States Virgin Islands reflected decreases in exports of goods and in consumer spending. Visitor arrivals increased by 2.2 per cent and exports of rum by some 22 per cent. The fall in consumer spending reflected reduced expenditure on non-durable goods and on services.

14. The estimates of compensation by industry showed that the goods-producing industries were the primary source of the decrease in real GDP in 2012. The decline in those industries reflected the decline of the petroleum-refining industry. The

territorial government sector also declined, reflecting decreases in government employment and compensation.

B. Tourism

15. More than 2.5 million tourists visit annually, whether by cruise ship or by air. Cruise ship passenger arrivals for 2014 totalled 2,083,890, an increase of 4.3 per cent compared with 2013. Cruise ship calls showed an increase of 4.3 per cent compared with 2013. Air visitor arrivals totalled 730,367, an increase of 3.9 per cent compared with 2013.

C. Manufacturing and construction

16. According to the United States Bureau of Economic Analysis, which, as indicated above, released GDP estimates for the United States Virgin Islands in August 2014, the decrease in exports of goods reflected the decline of the petroleum-refining industry that for many years had played a dominant role in the economy. The Hovensa oil refinery, one of the world's largest, shut down operations on St. Croix early in 2012 (see A/AC.109/2013/10). According to information from the United States Virgin Islands Bureau of Economic Research, a large percentage of manufacturing shipments come from rum production. The rum produced is primarily exported to the United States and sold to local and regional bottlers for sale under a variety of private label and regional brand names.

D. Trade, transportation and utilities

17. The United States Virgin Islands has some 1,250 km of roadways. The Territory also enjoys one of the most natural deep-water harbours in the Caribbean and is strategically located along the Anegada Passage, a key route for ships bound for the Panama Canal. The Territory has five major docking facilities, which can accommodate cruise ships and some naval vessels. Three of the docks are on St. Croix, namely South Shore, Gallows Bay and Frederiksted. The other two are on St. Thomas, namely the facilities operated in Crown Bay by the Virgin Islands Port Authority, a semi-autonomous government agency, and the Islands-owned West Indian Company.

18. The Virgin Islands Water and Power Authority is an autonomous governmental entity of the territorial Government that produces and distributes electricity and potable water to some 55,000 electrical and 13,000 potable water customers. The Territory is implementing a plan to reduce its dependence on fossil fuels by 60 per cent over the next 15 years. The Authority is engaged in the Puerto Rico and United States Virgin Islands High Voltage Interconnection Project, interconnecting the two electrical power systems.

19. Owing to the limited freshwater supplies, salt water is used extensively for non-domestic purposes, including fighting fires and treating sewage. The Virgin Islands Water and Power Authority operates desalination units on St. Thomas, St. Croix and St. John. It also operates reverse osmosis plants. A desalination plant on St. Thomas produces some 4.5 million gallons of water per day. Wells, in particular on St. Croix, supply the remainder of the fresh water necessary. Owing to the high

cost of water, average daily consumption is about 50 gallons per person per day, about one third of the United States average.

20. In terms of communications, the Territory has some 59,000 telephones, 8,700 Internet hosts (a computer connected directly to the Internet) and a number of radio and television broadcasting stations.

E. Agriculture and fisheries

21. Historically, sugar cane and, to a lesser extent, cotton were the main sources of revenue for the Territory's economy. Currently, the agricultural sector is very small and comprises mainly fruit and vegetable cultivation and cattle-raising.

22. The Territory's Department of Agriculture has continued its farmer-focused programmes and services and worked to complete and develop new projects. It receives funding from the Agricultural Marketing Service of the United States Department of Agriculture to implement the Farmers' Market Nutrition Programme in the Territory. The Bordeaux Farmers' Market and new irrigation facilities opened officially in February 2013. Other projects include the Young Agricultural Professionals Training Programme, the "Virgin Fresh" marketing campaign and the second phase of the Farmers' Market.

IV. Social conditions

A. Labour

23. According to the Office of Management and Budget, the closure of the Hovensa refinery continued to have a devastating impact on the local economy, with the unemployment rate for the Territory as a whole recently reaching 13.7 per cent and that for the island of St. Croix reaching 17.8 per cent in January 2013. According to data from the Territory's Bureau of Economic Research, civilian employment fell by 1.2 per cent between January 2013 and November 2014, for a net loss of 509 jobs. In November 2014, the unemployment rate for the Territory was 13.0 per cent. In his State of the Territory address for 2015, the Governor acknowledged that unemployment continued to plague the Territory, standing approximately one and half times above the United States national average. He stated that his Government was committed to filling 1,000 government jobs by first targeting employment in revenue collection, law enforcement, education and health.

B. Education

24. Education in the United States Virgin Islands is compulsory and free for all children between 5 and 16 years of age. The Territory's Department of Education comprises a state education agency and two local education agencies, one for the St. Thomas-St. John District and the other for the St. Croix District. The St. Thomas-St. John District has 2 high schools, 3 middle schools and 10 elementary schools. The St. Croix District has 10 elementary schools, 3 middle schools and 2 high schools. The University of the Virgin Islands has campuses on St. Thomas and St. Croix and a combined full-time and part-time student body of some 2,500 students.

25. On 26 August 2014, the Territory's Department of Education presented a five-year strategic plan that was focused on three priorities identified through stakeholder focus groups and meetings: improving academic achievement for all students, building a positive culture within and across all schools and increasing teacher and leader effectiveness. It contained specific goals, strategies and milestones to measure progress.

C. Public health

26. The Territory's Department of Health maintains facilities on St. Thomas, St. John and St. Croix. It also maintains a long-term care facility on St. Thomas. Outreach efforts include educational, preventive and treatment services using clinics and subdivisions for maternal and child health, family planning, environmental health, sexually transmitted infections, HIV and tuberculosis, mental health and substance abuse. The Department administers 33 activity centres and 16 federal programmes under the auspices of the Office of the Commissioner and the divisions dealing with fiscal affairs, support services, public health services and health promotion and statistics.

27. Priorities and indicators for the maternal, child and adolescent health population were identified following a needs assessment conducted by the Territory's Department of Health for the 2010-2015 cycle. The transfer of Medicaid to the Department of Human Services was finalized in fiscal year 2013.

D. Crime and crime prevention

28. In his State of the Territory address for 2015, the Governor noted that providing safety and security was important to developing the Territory's economy, while pointing out the human resources shortage in the law enforcement community. He stated that the police were operating with a complete absence of technology, noting that call reports from the emergency call centre reached the police after a delay. He said that the police lacked the technology to investigate crimes, ready access to the records of driver's licenses and motor vehicle information held by the Department of Motor Vehicles, connectivity to the database of the Superior Court to access suspended driver license information and outstanding warrants and the ability to identify fingerprints found at crime scenes. He announced that a full top-to-bottom assessment of the Territory's law enforcement community would be conducted. Other actions, including pairing the police department with a major police department on the mainland, would also be taken.

V. Environmental protection and disaster preparedness

29. In the area of emergency preparedness, the Territory has continued to enhance its operations with the opening of the new headquarters of the Virgin Islands Territorial Emergency Management Agency. The consolidation of emergency call centre operations at two districts has enhanced organizational efficiency by improving responsiveness to residents at their most critical time of need. In June 2011, the Agency installed 10 all-hazards warning sirens throughout the Territory — 4 on St. Croix, 4 on St. Thomas and 2 on St. John — concentrating, in particular, on

areas considered at high risk for tsunamis. In October 2012, the Agency announced the installation of a new siren warning system, replacing faulty repeaters located on St. Croix, St. Thomas and St. John. The system is designed to warn anyone within its range of an imminent threat or danger. Eleven additional sirens will be installed. A Territory-wide test of the system was conducted in March 2014.

30. In May 2014, the Virgin Islands Territorial Emergency Management Agency hosted the ninth session of the Intergovernmental Coordination Group for the Tsunami and Other Coastal Hazards Warning System for the Caribbean and Adjacent Regions, during which the Territory was designated as "tsunami-ready", a status granted by the National Oceanic and Atmospheric Administration of the United States once specific requirements are met.

31. The United States Virgin Islands Territorial Hazard Mitigation Plan was finalized in July 2014. Its purpose is to identify strategies and action that can be taken before disaster strikes, thereby significantly reducing the human suffering, damage to property and long-term economic impact of natural hazards. The Virgin Islands Territorial Emergency Management Agency has established a hazard mitigation steering committee and three island hazard mitigation committees — one each on St. Thomas, St. Croix and St. John — to provide oversight and assist in the process of updating the Plan.

VI. Relations with international organizations and partners

32. The United States Virgin Islands is an associate member of the Economic Commission for Latin America and the Caribbean. The Territory has observer status with the Association of Caribbean States and with the Alliance of Small Island States, which serves as a platform to promote action on environmental issues, including climate change. According to information provided by the administering Power, the United States Virgin Islands received acceptance as a territorial Government with observer status at the Organisation of Eastern Caribbean States in 2009. Furthermore, in March 2014 representatives of the Territory attended the sixth meeting of the Inter-Virgin Islands Council between the British Virgin Islands and the United States Virgin Islands with a view to addressing mutual interests and challenges and to fostering and promoting cooperation between the two Territories. Topics considered included law enforcement, pleasure boating and sport fishing, cooperation in tourism, energy and utilities and cultures and education.

VII. Future status of the Territory

A. Position of the territorial Government

33. Developments regarding discussions on the future status of the United States Virgin Islands are reflected in section I above.

B. Position of the administering Power

34. In a letter dated 2 November 2006 addressed to the delegate of American Samoa to the United States House of Representatives, the Assistant Secretary of State for Legislative Affairs, Jeffrey T. Bergner, elaborated on the position of the

Government of the United States. In his letter, the Assistant Secretary of State indicated that the status of the insular areas regarding their political relations with the federal Government was an internal United States issue, and not one that came under the purview of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. He also noted that the Special Committee had no authority to alter in any way the relationship between the United States and those territories and no mandate to engage the United States in negotiations on their status. He further noted that, at the same time, in accordance with its obligations under the Charter of the United Nations to provide regularly to the United Nations statistical and other information of a technical nature relating to economic, social and educational conditions in the Non-Self-Governing Territories, the federal Government submitted annual updates on United States territories to the Special Committee as a demonstration of United States cooperation as an administering Power and as a corrective to any errors in information that the Special Committee might have received from other sources.

VIII. Action taken by the General Assembly

35. On 5 December 2014, the General Assembly adopted resolutions 69/105 A and B without a vote, on the basis of the report of the Special Committee for 2014 (A/69/23) and the subsequent recommendation by the Fourth Committee. Section XI of resolution 69/105 B concerns the United States Virgin Islands. In that section, the Assembly:

(a) Welcomed the proposal of a draft constitution emanating from the Territory in 2009, as a result of the work of the United States Virgin Islands Fifth Constitutional Convention, for review by the administering Power, and requested the administering Power to assist the territorial Government in achieving its political, economic and social goals, in particular the successful conclusion of the ongoing internal Constitutional Convention exercise;

(b) Requested the administering Power to facilitate the process for approval of the proposed territorial constitution in the United States Congress and its implementation, once agreed upon in the Territory;

(c) Also requested the administering Power to assist the Territory by facilitating its work concerning a public education programme, consistent with Article 73 *b* of the Charter, and in that regard called upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

(d) Expressed its concern regarding the continuing negative impact of the Hovensa plant closure;

(e) Reiterated its call for the inclusion of the Territory in regional programmes of the United Nations Development Programme, consistent with the participation of other Non-Self-Governing Territories;

(f) Welcomed the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

(g) Noted the holding, in March 2014, of the meeting of the Inter-Virgin Islands Council between the Territory and the British Virgin Islands.